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Jonathan S. Spirgel

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EXAMINER

FIELDS, BENJAMIN S

ART UNIT

PAPER NUMBER

3684

MAIL DATE

DELIVERY MODE

03/03/2010

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/680,589	<b>Applicant(s)</b> SPIRGEL ET AL.	
	<b>Examiner</b> BENJAMIN S. FIELDS	<b>Art Unit</b> 3684	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 08 December 2009.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-72 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-72 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)            | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | Paper No(s)/Mail Date. _____                                      |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>7 December 2009</u> .   | 6) <input type="checkbox"/> Other: _____                          |

## DETAILED ACTION

### *Introduction*

1. Upon further review of the arguments provided by the Applicants in the Pre-Appeal Brief filed 8 December 2009, the FINAL Office Action (mail date: 6 July 2009) has been withdrawn. The prosecution of this application is hereby reopened.

/Kambiz Abdi/  
Supervisory Patent Examiner, Art Unit 3684

2. The following is a **NON-FINAL** Office Action in response to the communication received on 8 December 2009. Claims 1-72 are now pending in this application.

### *Response to Amendments*

3. The Examiner acknowledges the Applicants comments and remarks regarding the originally asserted 35 U.S.C. 101 Rejection of Claims 1 and 70, however, the Examiner maintains these rejections. The Examiner notes that the method of the instant application consists of steps/functions which can be accomplished via human interaction.

4. Applicants Amendments to Claims 1-72 has been acknowledged in that: **NO Claims have been cancelled; NO Claims have been newly amended; NO Claims have been newly added**; hence, as such, **Claims 1-72 are pending within this application.**

***Claim Rejections - 35 USC § 101***

5. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claims **1-70** are rejected under 35 U.S.C. 101 because the claimed invention is not directed to a secondary statutory subject matter/class.

A claimed process is eligible for patent protection under 35 U.S.C. § 101 if:

"(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. See Benson, 409 U.S. at 70 ('Transformation and reduction of an article 'to a different state or thing' is the clue to the patentability of a process claim that does not include particular machines. '); Diehr, 450 U.S. at 192 (holding that use of mathematical formula in process 'transforming or reducing an article to a different state or thing' constitutes patent-eligible subject matter); see also Flook, 437 U.S. at 589 n.9 ('An argument can be made [that the Supreme] Court has only recognized a process as within the statutory definition when it either was tied to a particular apparatus or operated to change materials to a 'different state or thing' '); Cochrane v. Deener, 94 U.S. 780, 788 (1876) ('A process is...an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing.').<sup>7</sup> A claimed process involving a fundamental principle that uses a particular machine or apparatus would not pre-empt uses of the principle that do not also use the specified machine or apparatus in the manner claimed. And a claimed process that transforms a particular article to a specified different state or thing by applying a fundamental principle would not pre-empt the use of the principle to transform any other article, to transform the same article but in a manner not covered by the claim, or to do anything other than transform the specified article." (*In re Bilski*, 88 USPQ2d 1385, 1391 (Fed. Cir. 2008))

As noted in *Bilski*: "[A] Process claim that recites fundamental principle, and that otherwise fails 'machine-or-transformation' test for whether such claim is drawn to patentable subject matter under 35 U.S.C. §101, is not rendered patent eligible by mere field-of-use limitations; another corollary to machine-or-transformation test is that

recitation of specific machine or particular transformation of specific article does not transform unpatentable principle into patentable process if recited machine or transformation constitutes mere 'insignificant post-solution activity.'" (*In re Bilski*, 88 USPQ2d 1385, 1385 (Fed. Cir. 2008)) Examples of insignificant post-solution activity include data gathering and outputting. Furthermore, the machine or transformation must impose meaningful limits on the scope of the method claims in order to pass the machine-or-transformation test. Please refer to the USPTO's "Guidance for Examining Process Claims in view of *In re Bilski*" memorandum dated January 7, 2009, [http://www.uspto.gov/web/offices/pac/dapp/opla/documents/bilski\\_guidance\\_memo.pdf](http://www.uspto.gov/web/offices/pac/dapp/opla/documents/bilski_guidance_memo.pdf).

**Point of Importance:** It is also noted that the mere recitation of a machine in the preamble in a manner such that the machine fails to patentably limit the scope of the claim does not make the claim statutory under 35 U.S.C. § 101, as seen in the Board of Patent Appeals Informative Opinion *Ex parte Langemyr et al.* (Appeal 2008-1495), <http://www.uspto.gov/web/offices/dcom/bpai/its/fd081495.pdf>.

7. Referring to Claims 1-70: Although Applicants have amended Claims 1 and 70 to reflect processing being performed using an ECN, the Examiner is not thoroughly convinced that the steps are tied to a machine. Thus, Claims 1 and 70 are not tied to a particular machine or apparatus nor do they transform a particular article into a different state or thing, thereby failing the machine-or-transformation test; therefore, claims are non-statutory under § 101.

Appropriate correction is required.

***Claim Rejections - 35 USC § 103***

8. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

9. Claims 1-6, 9-27, 29-36, 38-48, 50-57, 59-61, and 63-72 are rejected under 35 U.S.C. 103(a) as being unpatentable over Annunziata (US PG Pub. No. 2001/0034688), [hereinafter Annunziata] in view of Slyke et al. (US PG Pub. No. 2002/0042770), [hereinafter Slyke].

Referring to Claim 1: Annunziata shows a method for creating shares in a commodity, said commodity shares being processed using an Electronic Communication Network (ECN), the method comprising: receiving, over the ECN, a [creation order] comprising a request to create the commodity shares (Annunziata: Abstract; Figures 1-2; Page 1, Paragraphs 0007-0014; Page 2, Paragraphs 0026-0028; Page 5, Paragraph 0043) confirming, over the ECN, delivery into an account of an amount of commodity associated with the commodity shares being requested (Annunziata: Abstract; Figures 1-3; Page 1, Paragraph 0014); and releasing, over the ECN, the requested commodity shares based upon the amount of commodity delivered into the account (Annunziata: Abstract; Figures 1-3; Page 1, Paragraph 0014).

Annunziata, however, does not expressly utilize the term "creation order".

Slyke, in a similar environment, utilizes the term “creation order” in regard to creating shares in a commodity (Slyke: Abstract; Figures 9-10, 26; Page 10, Paragraph 0173-0180; Claim 6).

Further, the Examiner notes that the Annunziata reference does not expressly utilize the term “creation order”. It should be noted, however, that although the Annunziata reference does not expressly show the term “creation order”, the obvious teaching of such is evident in that Annunziata discusses a system and method which is responsible for the creation of commodities, etc. (See at least Annunziata: Page 1, Paragraphs 0007-0014; Page 5, Paragraph 0043).

At the time of the invention it would have been obvious to one of ordinary skill in the art to modify the method of Annunziata for trading commodities with the practices of Slyke for liquid insurance contracts for the purposes of enabling investors the ability to know every asset and liability with which to invest or might invest, enabling investors to rapidly bid up the value of such underwriters when events favor them, and bid down the value of such underwriters when events are unfavorable to them by utilizing the ability/access to create their very own share/trust commodities (Slyke: Page 3, Paragraphs 0025-0032).

Referring to Claim 2: Annunziata discusses a method further comprising acknowledging receipt of the creation order over the ECN, (Annunziata: Page 2, Paragraph 0026-Page 3, Paragraph 0029).

Referring to Claim 3: Annunziata teaches a method further comprising sending a notice of pending commodity delivery to a custodian of the account via the ECN (Annunziata: Page 2, Paragraph 0026-Page 3, Paragraph 0029).

Referring to Claim 4: Annunziata discloses a method further comprising confirming receipt of the notice of pending commodity delivery via the ECN (Annunziata: Page 2, Paragraph 0026-Page 3, Paragraph 0029).

Referring to Claim 5: Annunziata shows a method, wherein the value of the commodity shares released over the ECN is approximately equal to the value of the commodity delivered into the account (Annunziata: Page 3, Paragraphs 0029-0031).

Referring to Claim 6: Annunziata teaches a method further comprising receiving a reconciliation from the custodian via the ECN (Annunziata: Page 3, Paragraphs 0029-0033).

Referring to Claim 9: Annunziata discusses a method, wherein the creation order received over the ECN comprises a request to create either a minimum amount of shares or a multiple of the minimum amount (Annunziata: Page 3, Paragraph 0033-Page 4, Paragraph 0038).

Referring to Claim 10: Annunziata shows a method, wherein the value of the amount of commodity shares delivered into the account via the ECN is not less than a minimum value (Annunziata: Page 3, Paragraph 0033-Page 4, Paragraph 0038).

Referring to Claims 11-18: Claims 11-18 parallel the limitations of Claims 1-6, and 9-10. As such, Claims 11-18 are rejected under the same basis as are Claims 1-6, and 9-10 as mentioned supra.



Referring to Claims 19-27 and 29: Claims 19-27 and 29 reflect the limitations of Claims 1-6, and 9-18. As such, Claims 19-27 and 29 are rejected under the same basis as are Claims 1-6, and 9-18 as mentioned supra.

Referring to Claims 30-36 and 38-40: Claims 30-36 and 38-40 parallel the limitations of Claims 1-6, and 9-18 in that they refer to the redemption of the shares created in the commodity. As such, Claims 30-36 and 38-40 are rejected under the same basis as are Claims 1-6, and 9-18 as mentioned supra.

Referring to Claims 41-48 and 50-52: Claims 41-48 and 50-52 reflect the limitations of Claims 30-36 and 38-40 in that they refer to the redemption of the shares created in the commodity. As such, 41-48 and 50-52 are rejected under the same basis as are Claims 30-36 and 38-40 as mentioned supra.

Referring to Claims 53-57 and 59: Claims 53-57 and 59 parallel the limitations of Claims 30-36, 38-48, and 50-52 in that they refer to the redemption of the shares created in the commodity. As such, Claims 53-57 and 59 are rejected under the same basis as are Claims 30-36, 38-48, and 50-52 as mentioned supra.

Referring to Claim 60: Claim 60 reflects the limitations of Claim 30. As such, Claim 60 is rejected under the same basis as is Claim 30 as mentioned supra.

Referring to Claims 61 and 63-69: Claims 61 and 63-69 reflect the limitations of Claims 30-36, 38-48, and 50-52. As such, Claims 61 and 63-69 are rejected under the same basis as are Claims 30-36, 38-48, and 50-52 as mentioned supra.

Referring to Claims 70-72: Claims 70-72 parallel the limitations of Claims 61 and 63-69. As such, Claims 70-72 are rejected under the same basis as are Claims 61 and 63-69 as mentioned supra.

10. Claims 7-8, 28, 37, 49, 58, and 62 are rejected under 35 U.S.C. 103(a) as being unpatentable over Annunziata in view of Slyke and further in view of Turk (US Pat. No. 5,671,364), [hereinafter Turk].

Referring to Claim 7: Annunziata teaches the limitations of Claim 1.

Annunziata, however, does not expressly discuss a method, wherein the commodity delivered into the account, and for which said commodity shares were created using the ECN, is gold or gold receipts.

Turk, in a similar environment, shows a method, wherein the commodity delivered into the account, and for which said commodity shares were created using the ECN, is gold or gold receipts (Turk: Abstract; Column 2, Lines 26-67; Claim 2, 3, 9).

At the time of the invention it would have been obvious to one of ordinary skill in the art to modify the method of Annunziata for trading commodities with the invention of Turk for the purpose of utilizing various forms of deposit currency (Turk: Column 2, Lines 12-34).

Referring to Claim 8: Annunziata discloses the limitations of Claim 1.

Annunziata, however, does not expressly teach a method, wherein the value of the shares released via the ECN is based on a net asset value of the received gold.

Turk, in a similar environment, shows a method, wherein the value of the shares released via the ECN is based on a net asset value of the received gold (Turk: Abstract; Claims 1-9).

At the time of the invention it would have been obvious to one of ordinary skill in the art to modify the method of Annunziata for trading commodities with the invention of Turk for the purpose of utilizing various forms of deposit currency (Turk: Column 2, Lines 12-34).

Referring to Claims 28, 37, 49, and 58: Claims 28, 37, 49, and 58 reflect the limitations of Claim 7. As such, Claims 28, 37, 49, and 58 are rejected under the same basis as is Claim 7 as mentioned supra.

Referring to Claim 62: Annunziata shows the limitations of Claim 61.

Annunziata, however, does not expressly teach a method, wherein said deposited commodity is gold or another precious metal.

Turk, in a similar environment, discusses a method, wherein said deposited commodity is gold or another precious metal. (Turk: Abstract; Claims 1-9).

At the time of the invention it would have been obvious to one of ordinary skill in the art to modify the method of Annunziata for trading commodities with the invention of Turk for the purpose of utilizing various forms of deposit currency (Turk: Column 2, Lines 12-34).

### ***Response to Arguments***

11. Applicants arguments filed 8 December 2009 have been fully considered but have been found to be **moot** in view of the new grounds of rejection presented herein.

### ***Conclusion***

12. Any inquiry concerning this communication should be directed to BENJAMIN S. FIELDS at telephone number 571.272.9734. The examiner can normally be reached MONDAY THRU FRI between the hours of 9AM and 7PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, KAMBIZ ABDI can be reached at 571.272.6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Benjamin S. Fields  
23 February 2010

/Nga B. Nguyen/  
Primary Examiner, Art Unit 3684